

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 5/10/2016	(3) CONTACT/PHONE Mark Hutchinson, Deputy Director of Public Works (805) 781-5458	
(4) SUBJECT Addendum to Item #20 - Declaration of Surplus Water for Zone 3 of the San Luis Obispo County Flood Control and Water Conservation District (Lopez Project) and update on the status of the Low Reservoir Response Plan for Zone 3. Staff recommends replacing the submitted item with the corrected item due to an incorrect acre feet amount in the recommendation which then affected all the tables in the staff report and attachments. District 3 and 4.			
(5) RECOMMENDED ACTION It is recommended that the Board acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District), Declare Surplus Water as described in Article 4, Sections (C) and (D) of the Lopez Water Supply Contracts, in an amount of 1,961 acre feet.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 9/22/15, #27	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) District 3 District 4			

Reference: 16MAY10-C-9

County of San Luis Obispo



TO: Additions, subtractions and corrections to the Board of Su

FROM: Public Works

Mark Hutchinson, Deputy Director of Public Works

VIA: Wade Horton, Director of Public Works

DATE: 5/10/2016

SUBJECT: Addendum to Item #20 - Declaration of Surplus Water for Zone 3 of the San Luis Obispo County Flood Control and Water Conservation District (Lopez Project) and update on the status of the Low Reservoir Response Plan for Zone 3. Staff recommends replacing the submitted item with the corrected item due to an incorrect acre feet amount in the recommendation which then affected all the tables in the staff report and attachments. District 3 and 4.

RECOMMENDATION

It is recommended that the Board acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District), Declare Surplus Water as described in Article 4, Sections (C) and (D) of the Lopez Water Supply Contracts, in an amount of 1,961 acre feet.

DISCUSSION

Declaration of Surplus Water

Every year the District declares surplus water according to the water supply contracts for Zone 3 of the District. Because of the proclamation of a local drought emergency on March 11, 2014 and pursuant to concerns about how Surplus Water is calculated, on August 19, 2014 the Board directed that *“any changes in calculations come to the Board for a decision and not at the staff level.”* Therefore, the 2015-16 surplus water declaration is being brought forward to the Board.

The Zone 3 water supply contracts define surplus water as *“The portion of the Safe Yield for Project water remaining after distributions of water during the said previous Water Year”* (Article 4 (D)). The declaration of surplus water does NOT mean that there is an amount of “excess” water in the reservoir; in short, surplus water is water that was saved from the previous year’s municipal entitlements and downstream releases. The water supply contracts specify that surplus water is offered to the Zone 3 agencies in proportion to their participation in the project; this year’s surplus is 1957 acre feet (AF) as shown in Table 1 below and in further detail in Attachment 1.

TABLE 1: Zone 3 2015-16 Surplus Water

Contractor	Entitlement AF	Entitlement Delivered AF	Surplus Generated (Unused Entitlement)	Entitlement %	Surplus Available by Entitlement % (x 1961 AF)
Arroyo Grande	2290	1970	320	50.6	991
Pismo Beach	892	60	832	19.7	386
Grover Beach	800	793	7	17.6	346
Oceano CSD	303	0	303	6.7	131
CSA 12 (Avila)	245	108	137	5.4	106
Sub Totals	4530	2930	1600	100 %	1961
Downstream Releases	4200	3839	361		0
Total	8730	6769	1961		1961

(All amounts have been rounded to the nearest whole number)

Low Reservoir Response Plan Update

However, the above declaration of Surplus Water is a contractual formality this year as all of the Zone 3 agencies, together with the Board of Supervisors, have adopted the Low Reservoir Response Plan (LRRP). The LRRP provides for three temporary changes to the declaration of “Surplus Water”:

1. Savings resulting from reductions in downstream releases below 4,200 acre feet will not be counted as surplus water, and
2. Any surplus water generated by an individual agency will only be available for use by that agency, and
3. Each agency may “carry over” any of its unused water from the previous year (subject to evaporation losses)

The amount of water available varies depending on the total amount of water stored in the reservoir. Above 15,000 AF entitlements are at 100%. However, that number decreases by 10% (applied to the agency’s entitlement only) if the reservoir reaches 15,000 acre feet in storage and 20% when reservoir levels reach 10,000 AF. Currently the reservoir is just below the 15,000 acre foot level so entitlements have been, and continue to be, reduced by 10%.

Attachment 3 shows Lopez Reservoir storage projections, which indicates that should water usage and reservoir conditions mimic water year 2015 and without significant rainfall, reservoir levels will continue to drop close to the 10,000 AF level by November.

The water supply for water year 2016-2017 is summarized in Table 2 below and in further detail in Attachment 2.

Table 3: Zone 3 2016-2017 Available Water Supply Under the LRRP

Contractor	Entitlement with 10% reduction (A)	Initial Carryover* Unused (Adjusted for Evaporation) (B)	“New Carryover” Generated in 15-16 (C)	Water Accounts by Agency At 15,000 AF (D)	Water Accounts by Agency At 10,000 AF (E)
Arroyo Grande	2,061	845	91	2998	2769
Pismo Beach	803	484	743	2030	1941
Grover Beach	720	308	0	1028	948
Oceano CSD	273	440	273	986	956
CSA 12	221	277	113	611	586
Totals	4077	2356	1220	7653	7200

*From Initiation of LRRP in FY 15-16; Board of Supervisors action 9/22/2015

(All amounts shown have been rounded to nearest whole number)

Notes: (D) = (A) + (B) + (C)

(E) = (80% x Entitlement) + (B) + (C)

OTHER AGENCY INVOLVEMENT/IMPACT

At their March 17, 2016 meeting the Zone 3 Advisory Committee adopted the recommendation that the Board of Supervisors:

- “Declare Surplus Water as described in Article 4 Sections (C) and (D) of the Water Supply Contracts, in the amount of 1,953 acre feet, or as adjusted by final year-end water accounting,” (Vote was unanimous – Note the final water accounting for water year ending March 31, 2015 resulted in an actual final amount of 1961 acre feet of surplus water); and
- “Continue to implement the Low Reservoir Response Plan pursuant to the Board’s Resolution 2014-377 adopted on December 16, 2014” (Vote was unanimous).

The recommended actions today are consistent with the Zone 3 Advisory Committees’ recommended actions.

FINANCIAL CONSIDERATIONS

The water supply contracts for Zone 3 are described as “take-or-pay”, meaning essentially that all of the costs of the system are paid for by the Zone 3 agencies, at percentages based on the amount of entitlement water in their respective contracts, plus their distance down the delivery system. Under the LRRP there is no surplus water to distribute at a particular cost, only the carry over water generated by that agency and available to that agency so there are no additional costs associated.

RESULTS

Declaration of surplus water and continued implementation of the LRRP will enhance management of water supplies to Zone 3 of the San Luis Obispo County Flood Control and Water Conservation

District during this extended drought. This will contribute to mitigate the current potential water supply emergency, thereby promoting a livable community.

ATTACHMENTS

1. Vicinity Map
2. Attachment 1 – Lopez Surplus Water for 2016/2017 by Contract
3. Attachment 2 – Lopez Water Supplies Under the LRRP for 2016/2017
4. Attachment 3 – Lopez Reservoir Storage Projections

Reference: 16MAY10-C-9

File: CF 340.101.01

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